

USDA



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Department of
Agriculture

Forest Service

Humboldt-Toiyabe
National Forest

August 2013

NOTICE OF PROPOSED ACTION AND OPPORTUNITY TO COMMENT

CENTENNIAL – SELIGMAN MINING PROJECT

**ELY RANGER DISTRICT
WHITE PINE COUNTY, NEVADA**

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Notice of Proposed Action and Opportunity to Comment

Page 1

INTRODUCTION

The Ely Ranger District of the Humboldt-Toiyabe National Forest is preparing an Environmental Assessment under the National Environmental Policy Act (NEPA) on Mt. Hamilton LLC's (MHLLC's) Centennial – Seligman Mining Project, White Pine County, Nevada. This letter serves as the Notice of Proposed Action and provides an opportunity to comment on the specifics of the Project. The Project is subject to the Pre-decisional Administrative Review Process under 36 CFR §218. The Project Mine Plan of Operations can be reviewed at the Ely Ranger District Office during normal business hours. Further information is also available from Susan Elliott, Forest Geologist and Project Lead, at (775) 778-6123.

DECISION FRAMEWORK

Based on the environmental analysis and disclosure documented in the Environmental Assessment (EA), the Responsible Official would decide: 1) whether to select the Proposed Action as proposed or modified, or as described in an alternative; 2) what mitigation measures, if needed, would be required; and 3) what monitoring, if any, would be required.

PURPOSE OF AND NEED FOR ACTION

The purpose of and need for the Proposed Action is to extract, identify, locate, and delineate mineral deposits, specifically by mining and exploration drilling, on NFS lands in the Project Area. The statutory right of MHLLC to explore for and develop mineral resources on federally administered lands is recognized in the General Mining Law of 1872, and is consistent with the Humboldt National Forest Land and Resource Management Plan of 1986 (IV-50). Surface management regulations (36 Code of Federal Regulations [CFR] part 228) require that all mineral exploration, development, and operations activities be conducted in a manner that minimizes adverse environmental impacts on National Forest surface resources (36 CFR part 228.8).

LOCATION

The Project is located on the western flank of Mt. Hamilton in the White Pine Range at the site of Rea Gold's previously mined Northeast Seligman (NES) deposit. The Project is located on National Forest System (NFS) lands administered by the United States Forest Service (USFS) in Sections 5, 8, 9, 10, 15, 16, 17, 20, 21, and 22, T 16 N, R 57 E, MDBM. The Project area is accessed via US Highway 50, then south on County Road 5 to several unimproved roads that lead to the Project (Figure 1).

PROPOSED PROJECT OVERVIEW

The majority of Project activities are within the disturbance footprint of a previously mined area. MHLLC proposes to conduct new mining operations at the Centennial and Seligman ore deposits, and new exploration drilling operations at sites previously drilled within the Project. All mining and exploration activities and associated new disturbance would occur on NFS lands and private land within the Project area boundary. The Project boundary encompasses approximately 1,404 acres on NSF land and approximately 34 acres of private land surrounded by NFS land. Anticipated operational mine life is approximately ten years depending on the rate of mining, followed by five years of post-operational monitoring, which includes two years of reclamation. Proposed activities would include mining operations within the Project area as well as new exploration drilling activities, depending upon economic conditions and exploration results.

PROPOSED ACTION

The Proposed Action would consist of mining and exploration activities within the Project Area as shown on Figure 1 and described in Table 1. The elements of the Mine Plan include mining two pits: the Centennial Pit and the Seligman Pit. The existing NES Pit (formerly mined by Rea Gold) would be deepened and designated as the Seligman Pit in this Mine Plan. Mining in the Seligman Pit would occur almost entirely within the historical NES Mine footprint. The Centennial Pit would be located adjacent to and south of the Seligman Pit. Proposed activities would include mining operations (424 acres of disturbance or redisturbance) within the Project area as well as new exploration drilling activities (50 acres of disturbance) depending upon economic conditions and ongoing exploration results. Proposed exploration drilling activities under this Mine Plan will consist of drill roads (some of which are existing), drill pads, and laydown areas.

The Centennial deposit was identified in the 1990s where past road building, drilling, grubbing, and general surface preparation was conducted at the location of the proposed Centennial Pit in preparation for open pit mining; however, mining was never initiated. A portion of the disturbance associated with exploration during the 1960s through 1990s and the mining in the 1990s has been partially reclaimed, including certain parts of the waste disposal areas and some of the drill and access roads. There are patented claims (private land) located within the Project Area boundary that have been affected in the past by mining and would be affected by the proposed mining operations.

Mineralization is near surface and would be mined by conventional open pit mining methods using trucks and shovel/loaders to extract ore and waste rock. Drilling and blasting would be used to fracture the rock prior to excavation. Waste rock would be hauled to the waste rock disposal area for permanent placement. Ore would be loaded into haul trucks for transport to the ore stockpile and primary crushing facility. The ore would be crushed to minus four inches and conveyed to an ore pass. The ore would drop through the ore pass for underground conveyance off site to the processing facilities.

Table 1: Proposed Surface Disturbance within the Project Area¹

Component	Proposed Surface Disturbance (acres)	
	NFS Land	Private Land
Seligman Pit ²	38.4	6.3
Centennial Pit ²	103.6	12.4
Waste Rock Disposal Area	147.8	2.3
Ore Stockpile and Crushing Facility/Ore Pass	7.7	0.0
Mine Operations Office and Truck Shop Facilities	3.0	0.00
Haul Roads	93.0	5.0
Access/Utility Roads	4.0	0.0
Water Supply Well and Associated Infrastructure	0.3	0.0
Exploration (Phase I – 11.5 acres of disturbance)	50.0	0.0
Total	447.8	26.0

¹ Existing disturbed acreages would be re-disturbed as part of the Proposed Action and have been included in the proposed disturbed acreage totals.

² The open pits would not be reclaimed.

The existing Seligman Canyon production well (Primary Well) and a monitoring/backup production well (Backup Well) located 30 feet away from the Primary Well have been developed in a productive fractured

Notice of Proposed Action and Opportunity to Comment
Page 3

bedrock aquifer located to the northwest of the mining areas. The Primary Well would provide water via pipelines for the proposed operations. The Backup Well would be used during maintenance of the Primary Well and to augment operational water as required.

The Proposed Action includes the following activities and facilities (shown on Figure 2):

- Two open pits (Centennial Pit and Seligman Pit);
- Waste rock disposal area (upper and lower WRDA);
- Ore stockpile and crushing facility with generators;
- Transfer of ore off site for processing via underground conveyance;
- Mine operations office and truck shop facilities;
- Access and haul roads;
- Power lines;
- Water supply well and associated infrastructure including pipelines; and
- Exploration drill roads, pads, and laydown areas.

During full operation, planned mining would require four crews operating on 12-hour rotating shifts. Crews would be offered daily transport to the Project in company-supplied vans from the towns of Ely and Eureka. Mining operation manpower during peak production years would include a total of approximately 42 equipment operators, 12 maintenance personnel, and 13 support personnel. In addition, two contract personnel would work on an as-needed basis for blast hole loading and initiation. Occasionally, additional contract personnel would report to the mine site to provide professional support. The work force would vary between approximately 69 to 82 people during full operation.

PRELIMINARY ISSUES

The following preliminary issues have been identified for the Project by the USFS and through Public Scoping:

1. Wildlife Resources - Potential impacts to sensitive bat species and potential habitat for flammulated owls, nesting raptor species, and greater sage-grouse as a result of Project-related activities;
2. Neotropical Migratory Birds - Potential impacts to migratory birds as a result of Project-related surface disturbance;
3. Vegetation Resources - Potential impacts related to the removal of vegetation associated with Project-related surface disturbance;
4. Invasive, Nonnative Species - Potential impacts to vegetation communities from the spread of invasive, nonnative species during Project-related activities;
5. Air Quality – Potential impacts to air quality associated with fugitive dust;
6. Soils – Potential impacts related to the removal of soils and associated erosion and impacts associated with the spread of invasive, nonnative species during Project-related activities.
7. Cultural Resources - Potential impacts to cultural resources as a result of Project-related surface disturbance; and
8. Native American Concerns - Potential impacts to identified traditional and cultural activities, spiritual sites, and resources as a result of implementation of the Project.

POTENTIAL EFFECTS ANALYSIS

The following table summarizes the potential impacts of the Proposed Action. In the EA, these impacts would be compared to those resulting from the Alternatives.

Notice of Proposed Action and Opportunity to Comment
Page 4

Table 2: Potential Effects Analysis

Resource	Potential Project-related Impacts
Wildlife	<p>Impacts to wildlife from the Project would consist of habitat loss and disturbance from human activity and noise. Roosting sites for bats or birds could be impacted (i.e., mine highwalls). Wildlife could be displaced by Project-related disturbance or habitat loss and could be expected to move into nearby areas during Project activities.</p> <p>A survey of the flora and fauna was conducted in the Project Area by Enviroscientists, Inc. Two sensitive bat species were detected within and near the Project Area: western small-footed myotis and little brown myotis. One redtailed hawk (a USFS sensitive species) was observed flying over the southern part of the area and ten pifion jays; however, no nests were located. No other sensitive wildlife species were recorded. Concurrent reclamation would occur to the extent practicable, and final reclamation would occur when the Project is completed. Revegetation and reclamation following Project activities would minimize long-term impacts to sensitive and other species in the Project Area.</p>
Neotropical Migratory Birds	<p>Surface disturbance could result in the destruction of active nests or disturb the breeding behavior of migratory bird species. Land clearing or other surface disturbance associated with the Project would be conducted outside of the avian breeding season, whenever feasible, to avoid potential destruction of active bird nests or young birds in the area. When surface disturbance must be created during the avian breeding season (March 1 through July 31), a qualified biologist would survey the area prior to land clearing activities. If active nests are located, or if other evidence of nesting (i.e., mated pairs, territorial defense, carrying nest material, transporting food) is observed, a protective buffer (the size depending on the habitat requirements of the species) would be delineated and the entire buffer area avoided to prevent destruction or disturbance to nests until they are no longer active. The start and end dates of the seasonal restriction would be based on site-specific information, such as elevation and winter weather patterns, which affect breeding chronology.</p>
Vegetation	<p>The Project would impact native plant communities in the Project Area; however, a large portion of the Project has existing disturbance or is composed of outcrops with little or no vegetation. Project-related impacts would be long term (life of the mine) with concurrent and final reclamation returning much of the disturbed areas to a revegetated condition, with the exception of the open pits that will not be reclaimed and portions of the Waste Rock Disposal Areas, which will not be revegetated. No special status plant species were recorded in the Project Area. Native plant communities would be impacted until disturbance is reclaimed and revegetated; however, there is abundant and similar vegetation outside of the Project Area.</p>
Invasive, Nonnative Species	<p>Project-related disturbance could result in long-term impacts by transporting noxious weed seeds or vegetative matter to the Project Area. Long-term impacts of introduction and spread of noxious weeds would be minimized through environmental protection measures.</p>
Air Quality	<p>Project related activities could impact air quality in the form of fugitive dust. This impact would be mitigated by the use of a water truck spraying water on working surfaces. MHLLC is required to have a Surface Area Disturbance permit, which includes a dust control plan. In addition, MHLLC is required to have an air quality permit issued by the Bureau of Air Pollution Control.</p>
Soils	<p>Project activities could impact soils in undisturbed areas. Much of the Project Area contains little or no topsoil. All available topsoil would be stockpiled for use in reclamation following the closure of the mine.</p>
Cultural	<p>Cultural resource surveys were conducted in the Project area by Summit EnviroSolutions. Cultural sites were identified within the Project Area boundary during the inventory. MHLLC would avoid any eligible cultural sites (historic or prehistoric); therefore, there would be no impacts to cultural resources as a result of the Project.</p>

Notice of Proposed Action and Opportunity to Comment
Page 5

Resource	Potential Project-related Impacts
Native American Concerns	Identified traditional and cultural activities, spiritual sites, and resources would be avoided; therefore, impacts to Native American concerns are not anticipated.

ALTERNATIVES

Currently, two alternatives have been identified to be analyzed in detail with further analysis potentially generating other alternatives.

The No Action Alternative: The Plan of Operations would not be approved and MHLLC would not conduct exploration activities. Conditions at the Project Area would remain as they are now.

The Proposed Action Alternative: MHLLC's Plan of Operations would be approved and MHLLC would be authorized to conduct the proposed mining and exploration Project with up to 474 acres of surface disturbance. This alternative would include the proposed activities outlined in the Plan of Operations from MHLLC and would include environmental protection measures, timing, monitoring, reclamation, and protective resource measures based upon comments from the public, tribes, and the interdisciplinary team during analysis of the Proposed Action.

COMMENTS WELCOME

The USFS is now seeking public comments specific to the proposed Project. There are two purposes for this comment period:

1. To provide opportunity for public participation prior to a decision by the Responsible Official. In addition, submission of comments during this period is required to establish objection eligibility subject to *36 CFR 218.5 and 218.7 subparts (a) and (b)*; and
2. To meet the NEPA requirements for public scoping.

The Project is not authorized under the Healthy Forest Restoration Act; however, the Project is implemented under land management plans and is subject to 36 CFR 218.7 subparts (a) and (b). Instead of an appeal period, there is an objection process before the final decision is made and after the final environmental analysis document and draft decision are mailed (reference 36 CFR 218). In order to be eligible to file an objection, specific written comments related to the Project must be submitted during the Notice of Proposed Action (NOPA) and Opportunity to Comment period.

In development and preparation of the Project, the participation of interested persons, state and local governments, and Indian tribes is encouraged at this time and throughout the process.

HOW TO COMMENT AND TIME FRAME

Individuals and organizations wishing to be eligible to object must meet the information requirements of 36 CFR 218 Subparts A and B.

It is the responsibility of persons providing comments to submit them by the close of the comment period. Only those who submit timely and specific written comments regarding the proposed project during a public comment period established by the responsible official are eligible to file an objection under §218.

Notice of Proposed Action and Opportunity to Comment
Page 6

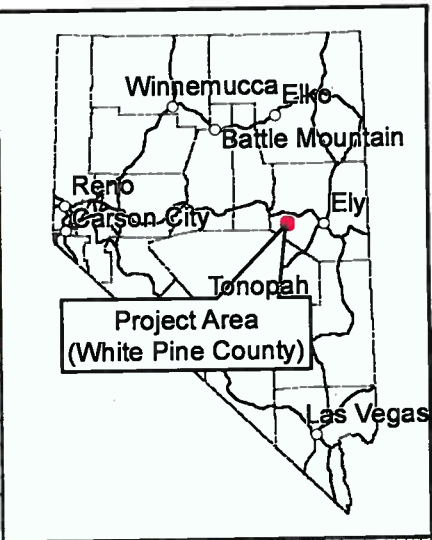
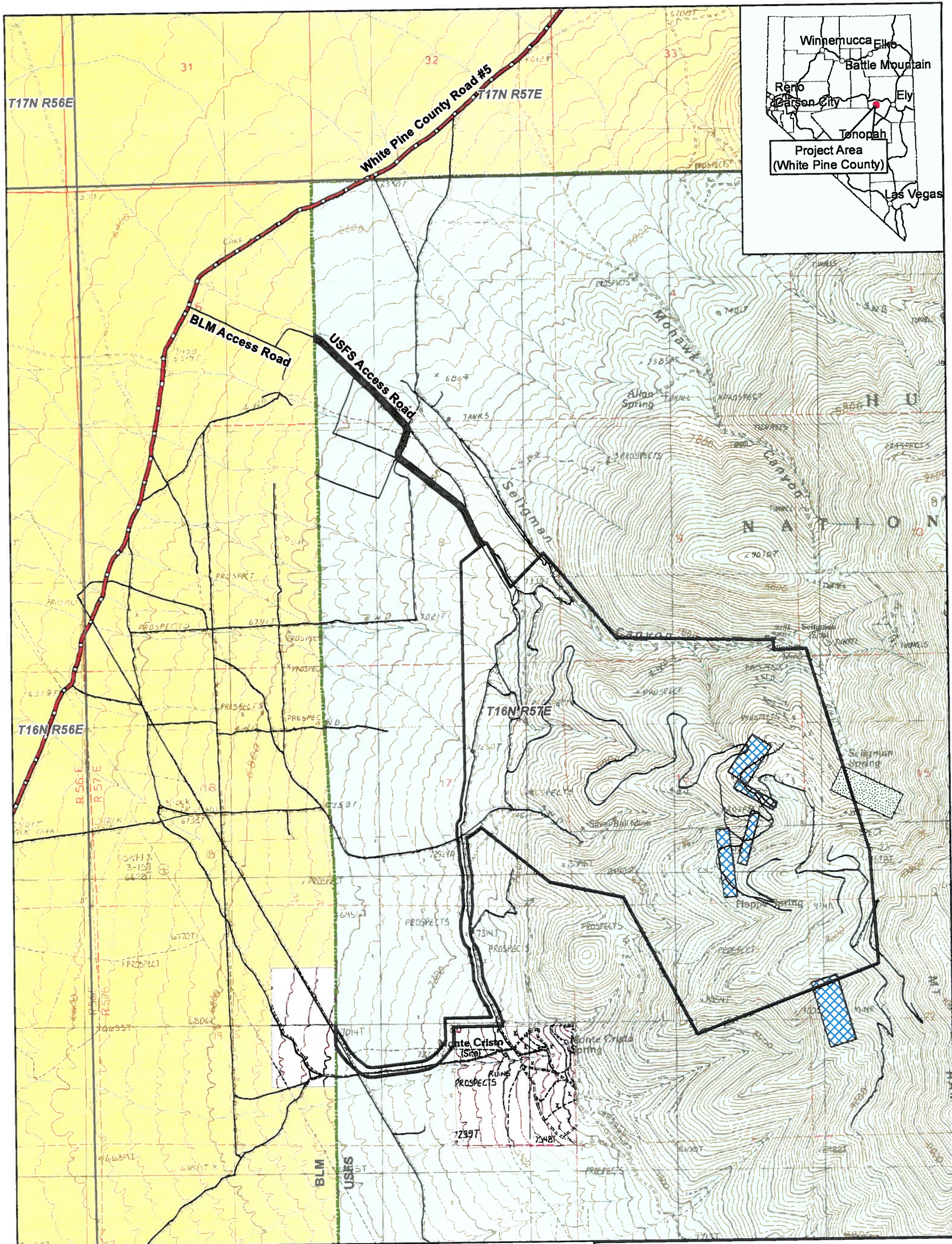
Written, facsimile, hand-delivered, and electronic comments concerning this action will be accepted for 30 calendar days following the publication of this notice in the Ely Times. The publication date in the newspaper of record is the exclusive means for calculating the comment period for this analysis. Those wishing to comment should not rely upon dates or time frame information provided by any other source. The regulations prohibit extending the length of the comment period.

Written comments must be submitted to the Responsible Official for this project (Jose Noriega, Ely Ranger District) at 825 Avenue East, Ely, Nevada 89301; phone (775) 289-3031, fax (775) 289-2132; or you may hand-deliver your comments during normal business hours from 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding federal holidays to 825 Avenue East, Ely, Nevada. Electronic comments must be submitted in a format such as an email message, plain text (.txt), rich text format (.rtf), or Word (.doc) to this email address: comments-intermtn-humboldt-toiyabe-ely@fs.fed.us. In cases where no identifiable name is attached to a comment, a verification of identity will be required for objection eligibility. For objection eligibility each individual or representative from each entity submitting timely and specific written comments regarding the proposed project must either sign the comments or verify identity upon request. If using an electronic message, a scanned signature is one way to provide verification. The opportunity to comment ends 30 days following the date of publication of this legal notice in the *Ely Times* (Newspaper of Record).

Comments received in response to this solicitation, including names and addresses of those who comment, will be considered part of the public record for this Project and will be available for public inspection and will be released if requested under the Freedom of Information Act.

For more information on the NEPA process or this project please contact Jose Noriega, Ely District Ranger at (775) 289-5100 or Susan Elliot, Forest Geologist and Project Lead, at (775) 778-6123.

Attachments: Figure 1 – Project Area Boundary, Land Status, and Access
Figure 2 – General Proposed Facilities Layout



Explanation

- Project Area
- MH-LLC Patented Claims
- Others Patented Claims
- USFS Boundary
- White Pine County Road #5
- Existing Road

Land Status

- Bureau of Land Management
- Forest Service
- Private

0 1,000 2,000
Feet

Projection: UTM Zone 11 North, NAD83

MT. HAMILTON LLC

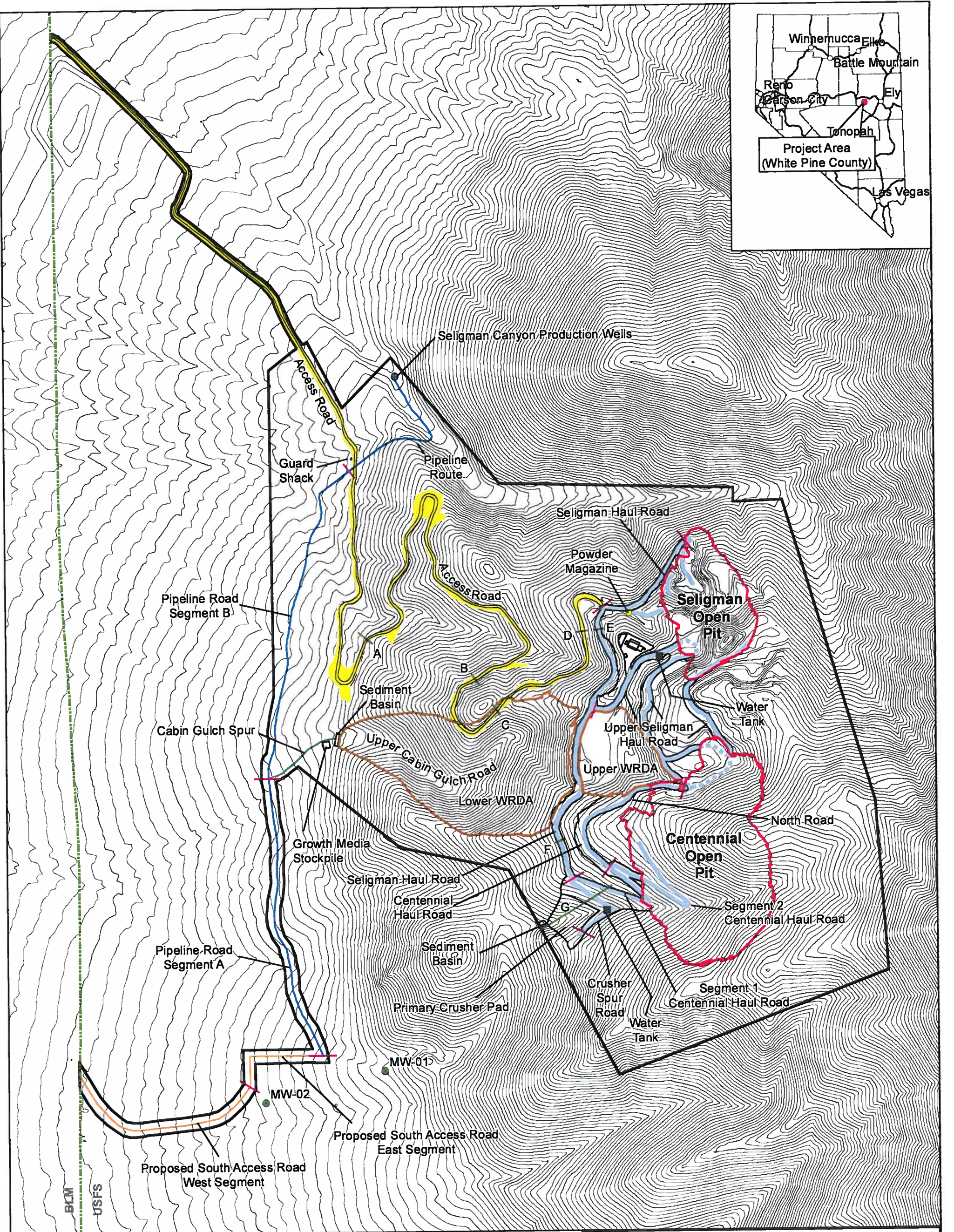
CENTENNIAL - SELIGMAN PROJECT

**Project Area Boundary, Access,
and Land Status**

Figure 1

Date: 03/28/2013 Drawn By: GSL
Revised: Project No.: 2449
Base Map: USGS 7.5' quads: Mount Hamilton & Seligman Canyon
File Name: 2449X_MinePlan_Figure2_AccessLandStatus.mxd





Explanation

Project Area

Limit of Disturbance of Pit

Post-Reclamation WRDA

Limit of Disturbance of Proposed Facilities and Haul Roads

Proposed Haul Roads

Portion of Road Consumed by Mining

Existing Access Road Area of Disturbance

Existing Access Road Running Width

USFS Boundary

Elevation Contours (25' contour interval)

Road and Crusher Cross Section Locations

Road Segment Name Dividers

Pipeline Road

Cabin Gulch Spur

Proposed South Access Road

Powder Magazine

Water Tank

Production Wells

Existing Monitoring Wells

T16N R57E

0 500 1,000 Feet

N

MT. HAMILTON LLC

CENTENNIAL - SELIGMAN PROJECT

General Proposed Facilities Layout

Figure 2

Date: 06/17/2013

Revised:

Base Map:

File Name: 3077X_from2449X_ScopingFig2_GeneralFacilitiesLayout.mxd

Drawn By: GSL

Project No.: 3077

nviroscientists, inc.